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SUBJECT: FOREIGN SECRETARY RAO ON PAKISTAN, IRAN, AND
CIV-NUKE IMPLEMENTATION

REF: A. STATE 100153
[1](#)B. STATE 94757
[1](#)C. STATE 101925
[1](#)D. NEW DELHI 1965

Classified By: Ambassador Tim Roemer. Reason: 1.4 (b,d).

[¶](#)1. (C) Summary: Indian Foreign Secretary Nirupama Rao told the Ambassador on September 30 that recent GOI-Pakistan talks in New York were detailed and "useful," observing that the Pakistan side "seemed to realize that terrorism is as much a threat to them as it is to us." Noting that Pakistani authorities pledged to begin the trial of seven Mumbai attack suspects on October 3, Rao said the Pakistanis pushed for a resumption of the composite dialogue and reverted to the "usual Pakistani way of doing business" by warning that domestic opposition would make it difficult for the Zardari government to take further steps unless India agreed to resumption. Rao confirmed the two sides had discussed Afghanistan, and said Pakistanis described it as an area of "convergence" in which both sides want peace and stability.

[¶](#)2. (C) In reply to the Ambassador's points about Iran's new secret enrichment facility and the need for public and private GOI pressure on Tehran to adhere to international obligations, Rao said that Prime Minister Singh had publicly called on Iran to honor its NPT obligations and the GOI would continue to maintain this line. Rao confided that the GOI has no illusions about Iranian transparency, but she questioned whether increased international sanctions would be effective.

[¶](#)3. (C) Turning to the U.S.-India Civil Nuclear Agreement, the Ambassador pressed for GOI completion of three outstanding implementation measures. Rao stated that she would assist in these matters. The MEA offered to be helpful in addressing a recurring pattern of cancellations by the Indian Ministry of Defense, often made at the last minute, of Indian participation in joint military exercises and exchanges, and pledged also to help facilitate an upcoming World War II MIA Accountability Command (JPAC) mission to India. The Ambassador recommended a "proactive process" to flag these

important exchanges weeks ahead of time, and the MEA agreed to implement this new approach. End Summary.

Pakistan: Good Talks But "Trust Deficit" Remains

¶4. (C) In reply to the Ambassador's questions about GOI-Pakistan discussions last week on the margins of UNGA, the Foreign Secretary (the Ministry's most senior career diplomat) said that her 3 hour "marathon" meeting with her Pakistani counterpart and a follow-on meeting between Foreign Ministers Krishna and Qureshi had been "useful." She said the Pakistanis came prepared to talk about details on "painful issues," appeared serious about addressing GOI concerns on Mumbai investigations, and "seemed to realize that terrorism is as much a threat to them as it is to us." The Pakistanis stated that they had seven Mumbai suspects in custody with a trial date of October 3, and that the trial would last 3-5 months. The Pakistan side clarified that Hafiz Saeed is in "protective custody" (Rao understood this to mean that his movements are monitored but he is not under house arrest) on charges related to inflammatory speeches about Jihad, not on charges relating to Mumbai terror. However, the Pakistanis told the Indians they were still investigating Saeed's involvement on the Mumbai attacks.

¶5. (C) Rao stated that the Pakistanis asked the Indians to "think ahead about next steps in the dialogue" and indicated a willingness to come to New Delhi for further talks. The Pakistani side also pressed for Prime Ministers Singh and

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Gilani to meet on November 26 at the Commonwealth Summit in Trinidad. With a short laugh, Rao claimed that the Pakistani officials reverted to "the usual Pakistani way of doing business" when they warned that unless India agreed to resume the composite dialogue, "hard-liners" within Pakistan would make it difficult for the Zardari government to take further steps. Rao said the Indian reply stressed the need for Pakistan to take concrete measures to overcome a "trust deficit" and "create a climate of confidence." She went on to say that the GOI has "not closed the door on dialogue" but needs to see further evidence of Pakistani sincerity and cooperation on terrorism issues. Rao stated with evident bemusement that when India complained of an increase in infiltrations across the Line of Control, "the Pakistanis told us these were not organized infiltrations, whatever that means." She stated that even though Pakistani officials had told the Indians that they would characterize the talks to the media as "a good beginning," in fact they had told reporters that India would not be allowed to hold Pakistan hostage. Again with bemusement, she observed that the Pakistanis had also told reporters about resumption of back-channel communication, thus defeating the whole purpose of a back-channel. She cautioned that one must always take Pakistani statements "with a big dose of salt."

¶6. (C) The Ambassador pointed out that Pakistan appears to have an impression that India's activities in Afghanistan are directed against Pakistani interests, and he urged Rao to take steps to reassure Islamabad about India's good intentions in Afghanistan. While expressing USG appreciation for the GOI's investment in Afghan education, development, and infrastructure, the Ambassador said it is also critically important to communicate to Pakistan that India is solely committed to these endeavors. Rao stated that the GOI has informed Pakistan of "all details" of Indian assistance and activities in Afghanistan, most recently in a presentation to then-Pakistani NSA Durrani during his October 2008 visit to New Delhi, and that Pakistan has full knowledge of India's "perfectly constructive" efforts in Afghanistan. She confirmed that the two sides had discussed Afghanistan in New York, and said Pakistan described it as an area of "convergence" where both sides want peace and stability. She complained that Pakistani officials are not informing the Pakistani public about the reality of Indian activities in

Afghanistan, illustrating the point with an anecdote about a Pakistani journalist who challenged Rao to explain why India had 30 million Indian nationals working in Afghanistan. The Ambassador again underscored the vital importance of increased GOI communication to reassure Pakistani officials about India's good intentions in Afghanistan.

Iran: Tehran Mendacious, But Sanctions Won't Work

¶ 7. (C) Prior to the meeting, the Ambassador exchanged greetings in an MEA waiting room with IAEA Director General Mohamed ElBaradei, who was in New Delhi for a nuclear conference and was meeting with EAM Krishna at the same time as the Ambassador met with Foreign Secretary Rao. Recounting his brief exchange with ElBaradei as a segue to a discussion of the threat posed by Iran's nuclear program, the Ambassador drew from Ref A points to note the discovery of Iran's new secret uranium enrichment facility and urge public and private GOI action to pressure Iran to adhere to its international obligations. Rao stressed that the GOI understands completely our concerns regarding Iran's nuclear program. She pointed to a reply made by PM Singh to a journalist at the G-20 Summit in Pittsburgh in which Singh stated that, even though Iran and India have long-standing relations and India recognizes Iran's right to develop a civilian nuclear program, Tehran must honor its obligations as an NPT signatory and demonstrate transparency when dealing with the IAEA. Rao added "off the record" that India is

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well-aware that Iran does not behave in a transparent manner -- even with the Indians, with whom they have a long history of good relations and commercial activity.

¶ 8. (C) Rao brought up the matter of sanctions against Iran and questioned whether increased sanctions would be an effective means to modify Tehran's behavior, predicting that the result may be a repeat of the Iraq sanctions scenario which "hurt the people" while the regime was able to survive.

Rao twice reminded the Ambassador that India "has a high degree of dependence" on Iran for energy and gets about 24% of oil imports from Iran, adding that India would be hard pressed to find alternate suppliers if sanctions affected these imports. The Ambassador noted that we prefer a negotiated resolution of this matter with Tehran but will consider other options as necessary. Rao went on to say that Iran had assisted India's aid efforts in Afghanistan by permitting port and transit access. India's assistance includes construction of a road through south-western Afghanistan to link up with an Iranian road that leads to the port. She mentioned that Tehran's approach to Afghanistan was previously "not antithetical to that of the U.S.," but added with a sigh that "things have changed since." Rao took on board the Ambassador's request that India use its influence to urge Iran to release six Amcits who have been detained without charge by the Iranian government (Ref B).

Put the Wrap on Civ-Nuke Implementation

¶ 9. (C) The Ambassador urged that India to complete all outstanding implementation measures surrounding the U.S.-India Civil Nuclear Agreement prior to Prime Minister Singh's November 24 state visit. After acknowledging the GOI's recent declaration of safeguarded facilities to the IAEA, he pressed for swift parliamentary passage of liability legislation; a public announcement by the GOI of reactor park sites for U.S. firms in Gujarat and Andhra Pradesh; and completion of the so-called "Part 810" license assurance. Rao stated that the liability legislation issue is "in good hands" with NSA Narayanan, who assured the Ambassador last week that the bill will be passed by the end of the year. Regarding the public announcement of the two reactor sites, Rao confirmed that PM Singh had not made such an announcement

(as had been erroneously reported by a local tv news station). However, she took note of this point as well as the point regarding the Part 810 assurance, and directed her staff to "put them in the system" and "underline the sense of urgency." The Foreign Secretary had a request of her own, stating that DAE Director Kakodkar is still waiting for the USG side to present a new draft text of a reprocessing agreement that reflects results from the last round of talks (Note: The draft text arrived overnight via Ref C, and we are in the process of conveying it to appropriate GOI authorities.

Concern Over GOI Cancellation of Joint Military Exercises

¶10. (C) During a break in the meeting, the Ambassador raised with MEA Joint Secretary for Americas Division Gaitri Kumar our concern over a recurring pattern of cancellations by the Indian Ministry of Defense, often made at the last minute, of Indian participation in joint military exercises and exchanges. Kumar said that the MEA was also concerned by such cancellations, and she attributed them to bureaucratic inefficiency within the Ministry of Defense and not the "austerity measures" often cited in the press or in private meetings. She noted that Foreign Secretary Rao had already asked her to draft a letter of complaint on this issue to the Ministry of Defense, and she urged the Ambassador to raise the matter as well with NSA Narayanan (which Post intends to

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do). She also accepted the Ambassador's specific recommendation that MEA play a proactive role in ensuring that future joint exercises function smoothly, according to PM Singh's expressed wishes for expanded defense cooperation (Ref D). Kumar also pledged full MEA assistance to facilitate an upcoming Joint POW/MIA Accountability Command (JPAC) mission. The Ambassador welcomed such assistance, noting the high degree of interest in the JPAC mission among the U.S. Congress and American people.

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